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**THE SECOND JUDICIAL DISTRICT COURT
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 1999
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

NOV 10 1999

Release Date _____

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**THE SECOND JUDICIAL DISTRICT COURT
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 1999**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Robert Y. Butler, Chief Judge
Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana

We have audited the accompanying general purpose financial statements of the Second Judicial District Court of Louisiana, as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of management of the Second Judicial District Court of Louisiana. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Second Judicial District Court of Louisiana as of June 30, 1999, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 13, 1999, on our consideration of the Second Judicial District Court of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Second Judicial District Court of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.


Kenneth D. Folden & Co.
Certified Public Accountants

October 13, 1999

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet

June 30, 1999

	Governmental Funds		Account Group	Total (Memorandum Only)
	General Fund	Special Revenue Funds	General Fixed Assets	
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 345,914	\$ 88,694		\$ 434,608
Receivables	18,414	10,406		28,820
Furniture and equipment			111,434	111,434
TOTAL ASSETS AND OTHER DEBITS	\$ 364,328	\$ 99,100	\$ 111,434	\$ 574,862
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 6,138			\$ 6,138
Withheld taxes payable	5,170	189		5,359
TOTAL LIABILITIES	11,308	189	NONE	11,497
Fund Equity:				
Investment in general fixed assets			111,434	111,434
Fund balance - unreserved undesignated	353,020	98,911		451,931
TOTAL FUND EQUITY	353,020	98,911	111,434	563,365
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 364,328	\$ 99,100	\$ 111,434	\$ 574,862

The accompanying notes are an integral part of this statement.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana
GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 1999

Statement B

	General Fund	Special Revenue Funds	Totals (Memorandum Only)
REVENUES:			
Court fees	\$	\$ 161,340	\$ 161,340
Civil filing fees	53,168		53,168
Criminal filing fees	161,178		161,178
Interest earned	16,160	2,619	18,779
Intergovernmental:			
State grant		28,000	28,000
Bonding license rebate	14,305		14,305
Criminal court fund	52,637		52,637
Total revenues	<u>297,448</u>	<u>191,959</u>	<u>489,407</u>
EXPENDITURES:			
Public safety:			
Books and library	16,807		16,807
Conference and seminars	9,898		9,898
Contracted services, personal services and benefits	237,834	122,351	360,185
Dues and subscriptions	1,198	290	1,488
Insurance	6,876		6,876
Legal and accounting	7,640		7,640
Miscellaneous	189		189
Office supplies	19,105	698	19,803
Repairs and maintenance	533		533
Travel	1,022	1,280	2,302
Utilities and telephone	9,908	746	10,654
Capital outlay	58,876		58,876
Total expenditures	<u>369,886</u>	<u>125,365</u>	<u>495,251</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(72,438)</u>	<u>66,594</u>	<u>(5,844)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	78,623	10,000	88,623
Operating transfers out	(10,000)	(78,623)	(88,623)
TOTAL OTHER FINANCING SOURCES (USES)	<u>68,623</u>	<u>(68,623)</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCES OVER (Under) EXPENDITURES AND OTHER (Uses)	<u>(3,815)</u>	<u>2,029</u>	<u>(5,844)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>356,835</u>	<u>100,940</u>	<u>457,775</u>
FUND BALANCE AT END OF YEAR	<u>\$ 353,020</u>	<u>\$ 98,911</u>	<u>\$451,931</u>

The accompanying notes are an integral part of this statement.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana
GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS

**Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Court fees	\$	\$	\$	\$ 134,000	\$ 161,340	\$ 27,340
Civil filing fees	48,000	53,168	5,168			
Criminal filing fees	130,000	161,178	31,178			
Interest earned	3,000	16,160	13,160	1,050	2,619	1,569
Miscellaneous	250		(250)			
Intergovernmental:						
Criminal court fund	40,000	52,637	12,637			
Bonding license rebate	7,000	14,305	7,305			
State grant				28,000	28,000	
Total revenues	228,250	297,448	69,198	163,050	191,959	28,909
EXPENDITURES						
Current						
Books and library	12,000	16,807	(4,807)			
Conferences and seminars	6,200	9,898	(3,698)			
Contracted services, personal services and benefits	249,000	237,834	11,166	147,525	122,351	25,174
Dues and subscriptions	1,400	1,198	202		290	(290)
Insurance	7,750	6,876	874			
Legal and accounting	7,000	7,640	(640)			
Miscellaneous	1,425	189	1,236	1,250		1,250
Office supplies	34,500	19,105	15,395	950	698	252
Repairs and maintenance	6,000	533	5,467			
Travel	3,500	1,022	2,478	1,850	1,280	570
Utilities and telephones	14,000	9,908	4,092	600	746	(146)
Rent	1,800		1,800			
Capital outlay	35,000	58,876	(23,876)	20,000		20,000
Total expenditures	379,575	369,886	9,689	172,175	125,365	46,810
EXCESS OF REVENUES OVER EXPENDITURES	(151,325)	(72,438)	78,887	(9,125)	66,594	75,719
OTHER FINANCING SOURCES (USES)						
Operating transfers in		78,623	78,623		10,000	10,000
Operating transfers out		(10,000)	(10,000)		(78,623)	(78,623)
TOTAL OTHER FINANCING SOURCES (USES)	NONE	68,623	68,623	NONE	(68,623)	(68,623)
EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCES OVER (Under) EXPENDITURES AND OTHER (USES)	(151,325)	(3,815)	147,510	(9,125)	(2,029)	7,096
FUND BALANCE AT BEGINNING OF YEAR	340,406	356,835	16,429	106,421	100,940	(5,481)
FUND BALANCE AT END OF YEAR	\$ 189,081	\$ 353,020	\$ 163,939	\$ 97,296	\$ 98,911	\$ 1,615

The accompanying notes are an integral part of this statement.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1999

INTRODUCTION

The Second Judicial District Court (District Court) of Louisiana is composed of the parishes of Bienville, Claiborne and Jackson located in northeast Louisiana. The District Court includes three judges with one judge being designated as the chief judge. The District Court may collect fees on civil suits and criminal cases to aid in the administering of the district court of the offices of the individual judges. These fees can not be used for salaries to the judges. The judges are elected by the qualified electors of the judicial district for a term of six years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the District Court have been prepared in conformity with generally accepted accounting principals (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting purposes.

B. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Second Judicial District Court includes all funds, account groups, et cetera, that are within the oversight responsibility of the District Court. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the District Court is deemed to be a separate reporting entity. Certain units of local government over which the District Court exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District Court.

C. FUND ACCOUNTING

The District Court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the District Court are classified into one category, governmental. This category, in turn, is divided into separate fund types. The fund classification and a description of each existing fund type follow:

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the General Purpose Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. FUND ACCOUNTING (Continued)

Governmental Funds

Governmental funds account for all or most of the District Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the district court include:

1. **General Fund--the general fund (Judicial Expense Fund) was established in compliance with Louisiana Revised Statute 13:966.49 and accounts for all financial resources, except those required to be accounted for in other funds.**
2. **Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.**

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of the fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Court fees, filing fees, and probation fees are collected by sheriff's departments, clerks of court, or the State of Louisiana and remitted to the District Court. Therefore, amounts remitted during the current period and amounts collected by these agencies during the current period and received within 60 days by the District Court are recognized as revenue.

Intergovernmental revenues are recorded when the District Court is entitled to the funds. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur. No other financing sources (uses) occurred for the year ended June 30, 1999.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the General Purpose Financial Statements (continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BUDGET

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annually, appropriated budgets are adopted for the general and special revenue funds. The District Court approves all budget changes or amendments. At year end, all appropriations lapse. Budgeted amounts shown in the financial statements are as originally adopted.

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized by the District Court.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 1999, the District Court had no investments.

II. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

I. COMPENSATED ABSENCES

The employees of the District Court are entitled to certain compensated absences based on their length of employment. Employees are not allowed to accumulate or vest vacation or sick leave. Compensated absences are recorded as expenditures when they are paid.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. The District Court has no long-term obligations at June 30, 1999.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the General Purpose Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH AND CASH EQUIVALENTS

At June 30, 1999, the District Court has cash and cash equivalents (book balances), totaling \$444,701. All cash and cash equivalents consist of demand deposits or certificates of deposit.

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. At June 30, 1999, the District Court has \$444,912 in deposits (collected bank balances). These deposits are maintained in eight financial institutions and are secured from risk by \$444,912 of federal deposit insurance.

3. RECEIVABLES

Accounts receivable at June 30, 1999 consist of the following:

	General	Special Revenue Funds	Total
Court fees	\$	\$ 10,406	\$ 10,406
Civil filing fees	3,181		3,181
Criminal filing fees	9,297		9,297
Other	5,936		5,936
Total	<u>\$ 18,414</u>	<u>\$ 10,406</u>	<u>\$ 28,820</u>

4. CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets follow:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Office furniture and fixtures	\$ 53,237	\$ 58,876	\$ 679	\$ 111,434

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the General Purpose Financial Statements (continued)

5. PENSION PLAN

Judges of the District Court and their employees are members of the State Employees Retirement System of Louisiana. Salaries of the Judges and the employer's portion of the Judges' retirement contributions are paid by the State Supreme Court and are not included in the accompanying financial statements. Pension costs for the employees of the District Court are reported in the accompanying financial statements; however, because these costs are considered immaterial in relation to the accompanying financial statements, the disclosure requirements of Statement No. 5 of the Governmental Accounting Standards Board are not presented.

**6. EXPENDITURES OF THE JUDICIAL DISTRICT NOT INCLUDED
IN THE ACCOMPANYING FINANCIAL STATEMENTS**

The accompanying financial statements do not include certain salary or administrative expenditures for the District Court paid out of the funds of the Bienville, Claiborne or Jackson Parish Police Juries or directly by the State.

7. LITIGATION

There is no litigation pending against the Second Judicial District Court at June 30, 1999.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Supplemental Information Schedules
As of and For the Year Ended June 30, 1999

PROBATION FUND

The Code of Criminal Procedure Article 894 A (1) stated that the Department of Probation and Parole would not supervise probation in misdemeanor cases starting in 1989. Article 894 A (1) authorized the court to place the defendant on probation with a "probation office" designated by the court upon such conditions as the court may fix. Additionally, Article 895 1 (C) of the Code of Criminal Procedure provides for a monthly probation fee to be paid to the agency providing supervision. The Probation Fund was established as the designated "probation office". The Probation Fund accounts for the collection of the monthly probation fees and expenditures of maintaining the probation offices.

IV-D COLLECTION FUND

The IV-D Collection Fund accounts for the collection of a five percent fee assessed on child support payments as provided by Louisiana Revised Statute 46:236.5 and the expenditures related to the establishment, modification, and enforcement of support obligations.

FAMILIES IN NEED OF SERVICES FUND

The Families in Need of Services Fund accounts for the program designed to aid juveniles and/or their families in obtaining counseling or treatment. The funding is provided by a State grant.

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet
June 30, 1999

	Probation Fund	IV-D Collection Fund	Families in Need of Services Fund	Total
ASSETS				
Cash and cash equivalents	\$ 14,466	\$ 13,197	\$ 61,031	\$ 88,694
Receivables		10,406		10,406
TOTAL ASSETS	\$ 14,466	\$ 23,603	\$ 61,031	\$ 99,100
LIABILITIES AND FUND EQUITY				
Liabilities:				
Withheld taxes payable	\$ 189	\$	\$	\$ 189
Total liabilities	189	NONE	NONE	189
Fund equity:				
Fund balance - unreserved undesignated	14,277	23,603	61,031	98,911
Total fund equity	14,277	23,603	61,031	98,911
TOTAL LIABILITIES AND FUND	\$ 14,466	\$ 23,603	\$ 61,031	\$ 99,100

THE SECOND JUDICIAL DISTRICT COURT
Parishes of Bienville, Claiborne and Jackson, Louisiana
SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

	Probation Fund	IV-D Collection Fund	Families in Need of Services Fund	Total
REVENUES				
Intergovernmental - state grant	\$	\$	\$ 28,000	\$ 28,000
Court fees	47,458	113,882		161,340
Interest earned	88	730	1,801	2,619
Total revenues	<u>47,546</u>	<u>114,612</u>	<u>29,801</u>	<u>191,959</u>
EXPENDITURES				
Current				
Contracted services, personal services and benefits	47,590	53,761	21,000	122,351
Dues and subscriptions			290	290
Office supplies	300	398		698
Travel	215	337	728	1,280
Utilities and telephone	746			746
Total expenditures	<u>48,851</u>	<u>54,496</u>	<u>22,018</u>	<u>125,365</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	<u>(1,305)</u>	<u>60,116</u>	<u>7,783</u>	<u>66,594</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	10,000			10,000
Operating transfers out		(75,891)	(2,732)	(78,623)
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>(75,891)</u>	<u>(2,732)</u>	<u>(68,623)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCES OVER (Under) EXPENDITURES AND OTHER (USES)	8,695	(15,775)	5,051	(2,029)
FUND BALANCES AT BEGINNING OF YEAR	<u>5,582</u>	<u>39,378</u>	<u>55,980</u>	<u>100,940</u>
FUND BALANCES AT END OF YEAR	<u>\$ 14,277</u>	<u>\$ 23,603</u>	<u>\$ 61,031</u>	<u>\$ 98,911</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Robert Y. Butler, Chief Judge
Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana

We have audited the general purpose financial statements of the Second Judicial District Court of Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 13, 1999. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Second Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Second Judicial District Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.



KENNETH D. FOLDEN & CO.
Certified Public Accountants

Jonesboro, Louisiana
October 13, 1999

**SECOND JUDICIAL DISTRICT COURT OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1999**

A. SUMMARY OF AUDIT RESULTS

1. **The auditors' report expresses an unqualified opinion on the financial statements of the Second Judicial District Court of Louisiana.**
2. **No reportable conditions relating to the audit of the financial statement are reported in the REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**
3. **No instance of noncompliance material to the financial statements of the Second Judicial District Court of Louisiana was disclosed during the audit.**
4. **The Second Judicial District Court of Louisiana had no federal award programs.**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No findings were disclosed in the current period. Also, no findings were disclosed in the prior period.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

The Second Judicial District Court of Louisiana had no major federal award programs.